



Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

December 15, 1989

CERTIFIED RETURN RECEIPT P 074 978 633

Eileen P. Wright, Attorney
Continental Guaranty and Credit Corporation
180 Maiden Lane
New York, New York 10038

Dear Ms. Wright:

Re: Cancellation Notice, Surety Bond, Amax Magnesium, Incorporated, Rowley Facility, M/045/008, Tooele County, Utah

This letter is to acknowledge our receipt of your cancellation notice on December 8, 1989. Your notice indicated that the current \$15,278 surety bond would be cancelled within thirty (30) days of our receipt of said notice.

We are aware of a recent purchase of the Rowley Magnesium Facility, by Magcorp of America. The new operator (Magcorp) has been sent copies of our Permit Transfer and Reclamation Contract forms.

Before we can accept cancellation of bond #162 48 34, we must have a new replacement surety in place from Magcorp for this mining facility.

All reclamation sureties are non-cancellable without prior written consent from the Division of Oil, Gas and Mining. The Division cannot allow a large mining operation to operate without having a valid reclamation surety in effect at all times.



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Continental Guaranty & Credit Corp.

M/045/008

December 15, 1989

Consequently, we cannot accept your cancellation notice until we receive a replacement surety from the new operator for this facility.

Please contact me should you have any questions in this regard.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor

jb

cc: Lee Brown, Magcorp
Lowell Braxton
Pam Grubaugh-Littig

M045008.1

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